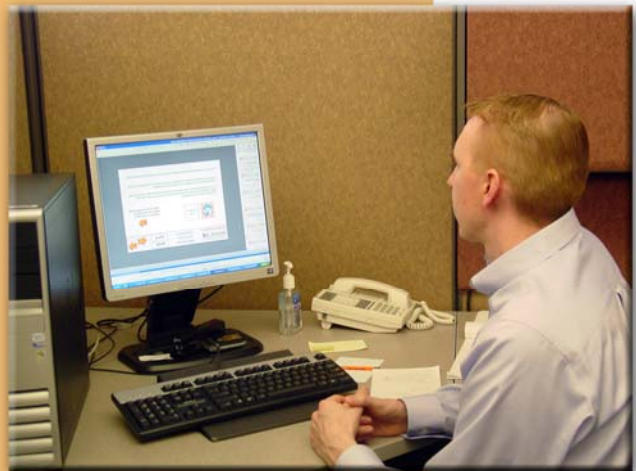


ARIZONA

GOVERNMENT | UNIVERSITY



Annual Report



Winner of the Council of State Governments
Innovation Award for 2008

***Fiscal Year
2008***

Table of Contents

	Page
Message from the Chairman of AZGU Governing Board	4
The Year in Review	5
<ul style="list-style-type: none">• providing high-quality, relevant training• expanding the capability to deploy training via distance learning• implementing internal process improvements• becoming strategically linked to agencies' goals• increasing seamless access to education and training opportunities	<ul style="list-style-type: none">610121415
Performance against Stretch Goals	16
Goal 1: Create efficiencies	16
Goal 2: Enhance quality	20
Goal 3: Increase availability of learning	22
Goal 4: Reduce dependency on Governing Board	24
Looking Forward	25
Appendix: Leadership Development	26

Message from the Chairman of AZGU Governing Board

Arizona Government University (AZGU) had another excellent year in Fiscal Year 2008.

This past year the number of trainee hours stayed around 10,000 per month, yielding a final count of over 120,000 hours total and marking a 20% increase over the prior year. As Arizona Government University increased its curriculum, employees were able to take advantage of more personal and professional development opportunities.

AZGU included training via web conferencing (iLinc) and helped other agencies to follow suit. The state realized significant savings from reduced travel costs and emitted less CO₂ into the atmosphere.

AZGU continued their strategic partnership with the agencies. Several agencies have utilized AZGU courses as a foundation to support their agencies' values and improve workplace performance.

Rio Salado Community College continues offering community college credits to state employees who complete AZGU's Supervisor Academy. This opportunity also includes Rio Salado credits for the Advanced Supervisor Certificate Program as well --- clearly a benefit to many of our employees.

William Bell
Director
AZ Department of Administration

The Year in Review

Fiscal Year 2008 was another year of growth for Arizona Government University (AZGU). New ways of delivering training were added, volumes increased, and AZGU worked closer with the agencies to meet their business goals.

AZGU had a very challenging year with the learning management system, STARS. Resources needed to be dedicated to resolving the STARS system's performance issues that hampered all agencies. Furthermore, AZGU faced the same challenges as all agencies with budget cuts, the hiring freeze, and retirement of key personnel.

Nonetheless, AZGU continued expanding its four overarching initiatives of:

- providing high-quality, relevant training
- expanding the capability to deploy training via distance learning
- becoming strategically linked to agencies' goals
- increasing seamless access to education and training opportunities

AZGU Governing Board

The AZGU Governing Board members have continued to guide, advise, and support Arizona Government University over the past three years. AZGU Governing Board members include:

Bill Bell, Director, ADOA
John Bogert, Chief of Staff, ADOT
Mike Branham, Director, ADJC
January Contreras, Director, DHS
Gale Garriott, Director, DOR
Mary Gill, Deputy Director, DES
Tracy Hannah, Governor's Office
Tony Rodgers, Director, AHCCCS
Dora Shriro, Director, ADC
Roger Vanderpool, Director, DPS

Providing high-quality, relevant training

AZGU offers over 100 courses that cover computer skills, leadership competencies, Arizona Financial Information System (AFIS) training and employee development. To ensure that AZGU is offering relevant training during these difficult economic times, a needs analysis was conducted through a series of focus group sessions at Arizona Health Care Cost Containment System (AHCCCS), Department of Public Safety (DPS), and Arizona Department of Administration (ADOA). The question for discussion was “What skills do you need to manage your business in the wake of a hiring freeze and budget cuts where training could be a solution?”

Not surprising, an array of communications skills topped the list. All three agencies identified improving the effectiveness of communication through email. Other skills and competencies that emerged across the agencies were supervisor training that, fortunately, already exists, and some modules that will be developed in future planned programs such as strategic planning, prioritizing, and being stewards of the budget. Mentoring was also identified by two of the three agencies as critical.

Given that direction, AZGU focused on developing an online Effective Email Techniques course and Mentoring in the Public Sector as well as revising existing supervisor courses to incorporate focus group suggestions.

Supervisor Academy

AZGU's Supervisor Academy is the first level of supervisor training designed to support new supervisors in their role of leading people and meets the mandated requirements of A.R.S. 41-763.

The leadership competencies are combined into the following courses that make up the Supervisor Academy. Many of these were reaffirmed as critical to success in the needs analysis conducted this year.

- Elements of Supervision
- Building Trust
- Recognizing and Motivating Others
- Treating Others Respectfully
- Leading by Example
- Counseling and Disciplining
- Listening and Communicating
- Coaching Employees
- Managing Employee Performance

-
- Empowering and Delegating
 - Communicating through Writing
 - Managing Time
 - Providing Quality Customer Service

A final module, Post Academy Practicum, is required for completion. In the final project, participants compile a report of application of their learned skills to the workplace. The report is graded and can also be recorded for Rio Salado Community College credit.

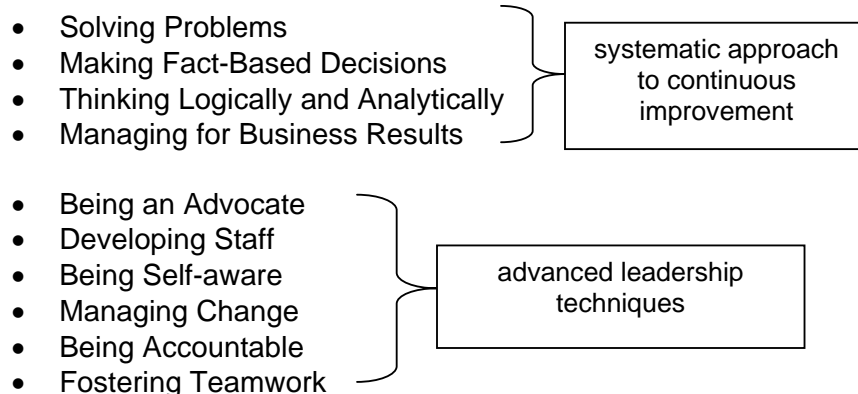
The Supervisor Academy modules were implemented in July 2005 and needed revisions and updating. This was accomplished throughout the year. The final project was rewritten to better align with each module and became more intuitive for the user. Participation has increased since the revision was implemented.

The assessments were revised in February 2008 to ensure alignment with the changing content and were then given to Rio Salado Community College. The curriculum development division of the college validated the assessments match the content and all performance objectives are assessed. Rio Salado will use this exam for a state employee who has completed the Supervisor Academy and wishes college credit through its “credit by exam” process.

Advanced Supervisor Certificate Program

AZGU has been promoting the Advanced Supervisor Certificate Program that was implemented in 2006. It consists of two major skill sets: a systematic approach to continuous improvement and advanced leadership techniques.

The identified leadership competencies were incorporated into the following courses that make up the Advanced Supervisor Certificate Program.



Despite AZGU's best marketing efforts for most of the year, these courses continued to be sparsely attended, and AZGU reduced the offerings to once a quarter in an effort to boost attendance. There has been some recent success offering the modules via web conferencing, so AZGU has increased the marketing of these modules.

**General
professional
development**

The general professional development courses below were developed or implemented during Fiscal Year 2008.

- Effective E-mail Techniques (online only)
- Grammar Basics (online)
- Keyboarding (online only)
- Mentoring in the Public Sector (classroom)
- New Travel Policy (web-conferencing only)
- Recognizing Signs of Workplace Violence (classroom)
- Standards of Conduct in the Public Sector for Boards and Commissions (online)

In this year's needs analysis through focus groups at AHCCCS, DPS, and ADOA, the one gap identified across all three agencies is the skill of writing effective emails. To that end, AZGU developed an Effective E-mail Techniques course that is in computer-based training format only. Grammar Basics, a companion course, is a class that is in high demand. It was developed in computer-based training format, so employees in the rural areas could have equal access to this important skill.

As agencies moved to streamlined processes or virtual work environments, some employees needed training on the basic keyboarding skills. AZGU purchased 30 software licenses for both classroom and online usage. Special labs with an instructor available for support and guidance were held on Mondays for several months to help employees improve their keyboarding skills.

The Mentoring course was developed based upon the results of the needs analysis. It was piloted in DHS and then offered for general use with surprisingly little interest by employees of many agencies.

The General Accounting Office implemented a new travel policy beginning January 2008. All agencies requested training, so AZGU provided web-conferencing sessions weekly through February and then bi-weekly until the demand subsided.

One course approved by the AZGU Governing Board in prior years that had not been revised was Workplace Violence. It was updated and made more interactive. It is currently available only in the classroom format, and the feedback has been very positive.

Boards and Commissions were seeking ways to train their board members without the travel expenses of the past. The agency, First Things First, contracted with AZGU to develop a version of the mandated Standards of Conduct that emphasized policies most applicable to their board members. AZGU developed the class for all boards and commissions to meet that need.

**Basic
Regulatory
Investigator
Course
(BRIC)**

Basic Regulatory Investigator skills are critical competencies for many employees of the Boards and Commissions as well as investigative units in the larger agencies.

AZGU redesigned the content into 14 modules in computer-based training format.

The completed modules in this series are noted below in bold.

Scope of Authority	Grammar Basics
Complaint Analysis	Investigative Report Writing
Torts and Personal Liability	Investigative Interviewing
Detecting Deceptions	<i>To be developed:</i>
Rights of Entry	<i>Investigative Planning and Strategy</i>
Constitutional Rights	<i>Evidence</i>
Subpoenas	<i>Investigator Testimony</i>
Investigative Conduct	<i>BRIC Practicum (final project)</i>

The remaining modules not in bold are still being developed. A final project is also being developed, and the series will be offered as a certificate program. It is anticipated the final program will be about 40 hours of training.

Expanding distance learning opportunities

Multiple formats of learning

In support of the Governor's e-Government initiative, AZGU continues to make significant strides in providing learning opportunities through a variety of channels that range from the classroom to web conferencing

There are five ways that AZGU delivers training. The percent of training in Fiscal Year 2008 delivered via that format is also noted.

Delivery channel	Percent delivered
Classroom	84%
Computer labs	3%
Web conferencing via iLinc	>1%
Computer-based training (24x7)	11%
Self-directed learning (24x7)	1%

AZGU focused on revising existing training courses to alternative delivery to accommodate the rising number of virtual work employees and the severe travel restrictions levied to maintain costs in the face of large budget deficits.

Computer-based training

Computer-based training

Employees are beginning to consider training online as a viable option to the classroom. Agency training organizations are also developing or converting training to online format, and that is helping employees change their training paradigm.

AZGU's development efforts were in two areas: Supervisor Academy and the Basic Regulatory Investigator classes. The following courses from the Supervisor Academy were developed in online format:

- Building Trust
- Leading by Example
- Providing Quality Customer Service
- Treating Others Respectfully
- Managing Employee Performance

The following employee development classes were developed in online format:

- Effective E-mail Technique (online only)
- Grammar Basics
- Keyboarding (online only)

All of the Basic Regulatory classes noted above were developed in online format as was Standards of Conduct in the Public Sector for Boards and Commissions.

Web conferencing

Web conferencing

AZGU was the first training organization in state government to leverage web conferencing for training. For Fiscal Year 2008 iLinc reports that AZGU saved the state \$202,850 in eliminating the travel costs associated with classroom training and prevented 122,350 pounds of CO₂ from emitting into the atmosphere.

The State Procurement Office negotiated with iLinc, AZGU's web-conferencing provider, on behalf of all state agencies. The outcome of the negotiations yielded an additional 10 iLinc licenses at no cost to AZGU. AZGU now has the capacity to have 34 attendees in each of the sessions. AZGU has shared its licenses with other agencies to test the delivery channel before purchasing on their own.

AZGU expanded its training offerings via iLinc web conferencing. The entire Supervisor Academy was piloted to accommodate virtual work employees at AHCCCS. The pilot was so successful that AZGU will continue offering the courses in this format as well as the classroom.

Additionally, offering the Advanced Supervisor Certificate Program via web conferencing has generated enthusiasm for these courses. AZGU had 1-3 people in multiple sites who were interested in the classes. To service all areas effectively, AZGU offered the series online with additional supervisors expressing interest in taking the classes through this delivery channel. More such offerings are planned throughout the coming year.

Implementing internal process improvements

AZGU, like all government organizations, needed to continuously improve internal processes to be more efficient and be able to serve the customers with fewer staff. While continuous improvement is a way of life at AZGU, two improvements are noteworthy. Hand-held devices were purchased and used to evaluate classroom training, and there were numerous critical issues with the STARS learning management system that needed to be addressed.

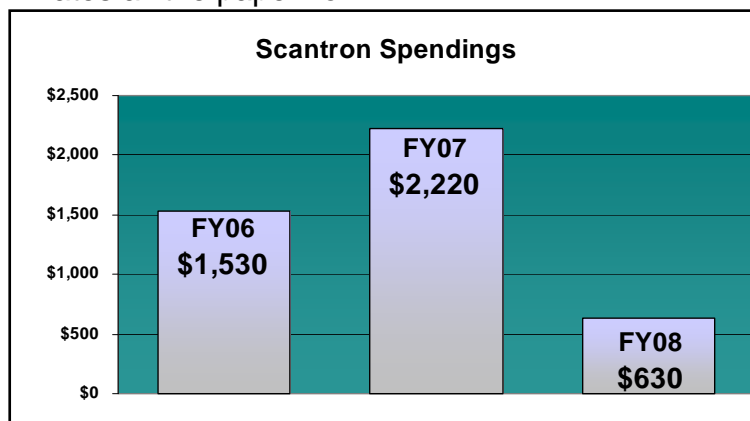
Hand-held devices

Hand-held devices

AZGU purchased multiple sets of CPS' hand-held input devices and software to capture the evaluations after a classroom session. Each participant is given a hand-held device with numbered buttons. The evaluation questions are displayed on a screen or wall and the participants evaluate the effectiveness of the class by selecting one of the numbers along an 8-point Likert scale of choices.

This innovation resulted in several benefits.

- AZGU now collects between 95% and 99% of the evaluations, so the sample size of the feedback is larger.
- The savings from the purchase of Scantron sheets is significant in a bare-bones budget (see chart).
- The internal process of capturing the data is more efficient. In the past, facilitators or registrars reviewed and corrected the evaluation sheets to make sure the bubbles would be picked up by the Scantron machine. The completed sheets needed to be scanned through the machine and then recorded and stored. With this innovation data is captured directly to a database and eliminates all the paperwork.



**STARS
review and
stabilization****STARS review and stabilization initiatives**

AZGU faced infrastructure challenges delivering the computer-based training that impacted the benefits that participants reap when using this distance-learning format. The homegrown statewide learning management system, STARS, required enhancements to support the virtual learning environments. Additionally, there were several major issues as a result of an upgrade in Fiscal Year 2007.

AZGU took a two-pronged approach to the problems. First, AZGU led an environmental scan of new commercial learning management systems that would contain capabilities that AZGU and agency training organizations need. Two task forces were established: one was the user community from all the agencies to establish the user requirements, and the second was the chief information officers from four agencies to provide technical process and product guidance. Both task forces concluded that a new learning management system is necessary to support rising volumes and the move to virtual learning.

At the end of this research, it was discovered that Lawson's Human Resource Information System (HRIS) contains a learning management system that is already part of the purchased product the state owns. The decision was made to use this component after the planned HRIS upgrade is implemented in Fiscal Year 2009..

The second approach to the current issues was to form a STARS stabilization team. Given the urgency of some of the problems the agencies were experiencing with STARS daily, there needed to be concentrated focus on making STARS usable until the new learning management system was implemented.

The overall problem resolution focused on

- improving the quality of the data reliability in the two databases that STARS uses
- increasing the accuracy of the email addresses for employees and managers
- aligning the data between the two STARS databases
- fixing the inability to print rosters in some of the agencies
- revising reporting capabilities

These improvements were largely accomplished by the end of the fiscal year.

Becoming strategically linked to agencies' goals

AZGU's response to the needs analysis from the representative agencies was to develop new or update existing training that the 46 overall participants identified as critical to success during the budget cuts and hiring freeze.

AZGU developed a Mentoring in the Public Sector course to meet an identified need. The research is very clear that employees leave managers, not jobs. The Department of Health Services (DHS) requested that AZGU deploy the course in collaboration with a formalized mentoring program they were implementing as an employee retention strategy. Over 108 potential mentors and mentees responded to the opportunity to participate. Two training sessions were held and the DHS training unit managed the program.

The Government Information Technology Agency (GITA), in cooperation with AZGU, developed a project management certification program that is required for large and complex State technology projects. AZGU was instrumental in providing input and infrastructure support to facilitate this certificate program. The State Project Management Certification program consists of an intensive, week-long class in project management taught by an instructor certified by the Project Management Institute; a one-half day GITA class emphasizing State requirements in security, privacy, enterprise architecture, policies and standards, oversight and project investment justification; and an attestation from the agency CIO or Director that the candidate has at least two years of project management experience. STARS tracks both classes on the employees' training transcripts.

The Registrar of Contractors recognized a training need as they created more efficient processes and deployed technology to their employees in the field. In the past, employees had produced hand-written reports, relying on typing from someone else. The employees needed to be able to type their own reports as they conducted their investigations. Two other agencies with virtual work environments indicated a need for typing skills as well, so AZGU researched and purchased 30 licenses of a keyboarding class. Employees can take the training online or with help from a facilitator in a computer lab. Special labs for employees from all agencies were held on a regular schedule to help the employees build confidence in their keyboarding skills.

The Department of Public Safety maintained its commitment to employees by allowing them to continue in the valuable Annual Civilians Training (ACT) program. Nearly 900 employees completed 8 hours of training from a pre-approved, strategically selected list of courses. The feedback on this program remained very positive.

Increasing seamless access to education and training opportunities

College credit for courses

The relationship between Rio Salado Community College and AZGU continued to grow.

In FY07 AZGU finalized a partnership with Rio Salado Community College to provide simultaneous community college credit hours (3) for successful completion of the Supervisor Academy at no cost to participants.

Through a one-time, very special agreement, Rio Salado offered college credit by its “credit through exam” process for free to any state government employees who had completed the Supervisor Academy in the past two years and wanted college credits. Eighteen employees took advantage of the opportunity.

Rio Salado also approved one college credit for each block of the Advanced Supervisor Certificate Program. For supervisors who take both the continuous improvement and the advanced leadership programs, two credits can be earned. Like the Supervisor Academy, a final project is required for course completion and college credit.

AZGU presented a draft Interagency Government Agreement to Coconino Community College in an effort to expand the opportunities for employees in the Flagstaff area. The contract is still in the review stage.

AZGU also increased the visibility and enthusiasm for Arizona State University’s Certified Public Manager program. Special flyers were distributed and the training community encouraged employees to participate in this program. ASU has seen a significant spike in registrations due to these efforts.

Performance Against Goals

Goals, objectives, and budget

Key performance measures continued to include operational efficiencies, quality of training, availability of training, and funding dependencies. As in the previous years, AZGU's Governing Board set stretch goals and objectives. These measures evolved as AZGU's performance and financial stability improved.

A table showing the evolution of each of the performance measures over the past three fiscal years is included in Appendix A.

The measures are used to drive continuous improvement in performance and maintain dialogue with the customers. Goals 1 and 4 are directly related to the financial model. Goals 2 and 3 measure the enabling processes and the customers' perceived value of the training at AZGU.

Overall, AZGU achieved 85% of the goals for FY08. The distance learning did not begin to catch on until later in the fiscal year. Marketing efforts were increased and more learning opportunities were provided to increase the participation. Additionally, the smaller agencies did not participate in AZGU training as fully as in previous years due to severe budget cuts, and that impacted Goal 4, reduce dependency on AZGU Governing Board agencies.

Goal 1: Create efficiencies

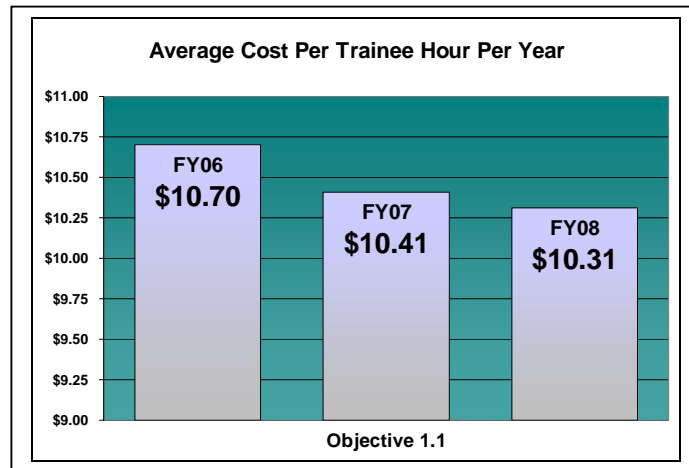
AZGU's main goal is to create efficiencies. The following objectives help drive participation in AZGU training as well as provide AZGU some financial stability.

Goal 1: Increase the efficiency of training in Arizona State government

- Obj. 1.1 Deliver training with an average cost of no more than \$10.50 per hour
- Obj. 1.2 Deliver no less than 92,000 hours of training
- Obj. 1.3 Generate at least \$924,000 in revenue through training delivery
- Obj. 1.4 Obtain an enterprise-wide learning management system that meets the needs of all agencies by June 30, 2008.
- Obj. 1.5 Deliver classroom training with an average of no less than 20 participants per class

AZGU achieved four of the five objectives. The number of overall participants and trainee hours increased by 20,000 trainee hours and drove up the variable revenue generated through training delivery as well as kept down the cost of training by economies of scale. The efforts to obtain an enterprise-wide learning management system did not yield the expected results by June 30, 2008.

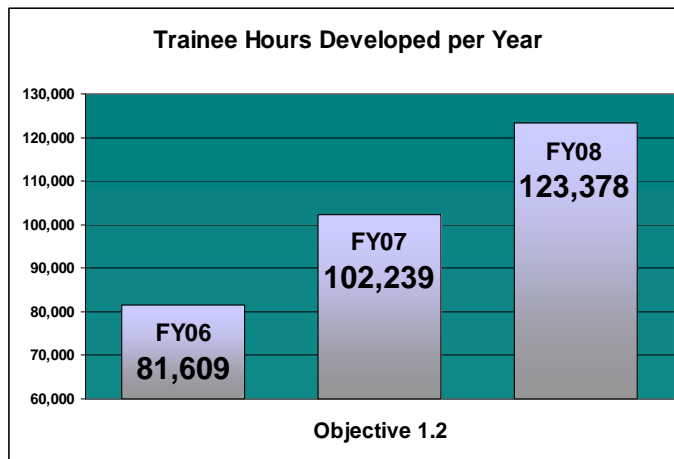
Objective 1.1 In Objective 1.1, the cost per trainee hour stayed relatively the same as the previous years at \$10.31 average per trainee hour. The slight decrease from the last fiscal year is due to process improvements and vacant positions from the hiring freeze.



Objective 1.2 AZGU's training volumes (objective 1.2) have increased by 20,000 trainee hours year over year, yet AZGU has been able to maintain the same per unit cost due to the flexibility of the financial model. The more training provided, the more variable revenue AZGU earns that can be allocated to maintaining the appropriate staff level to meet agencies' demands. Agencies have control over how many trainee hours were used.

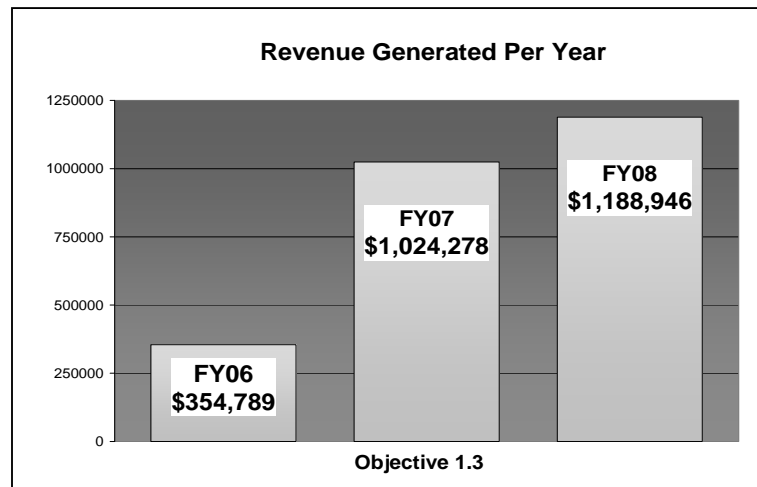
AZGU's training volumes (objective 1.2) have increased by 20,000 trainee hours year over year, yet AZGU has been able to maintain the same per unit cost due to the flexibility of the financial model. The more training provided, the more variable revenue AZGU earns that can be allocated to maintaining the appropriate staff level to meet agencies' demands. Agencies have control over how many trainee hours were used.

The number of trainee hours in FY08 fluctuated from month to month but averaged out at about 10,000 trainee hours per month. This is the same volume AZGU experienced the second half of the prior fiscal year..



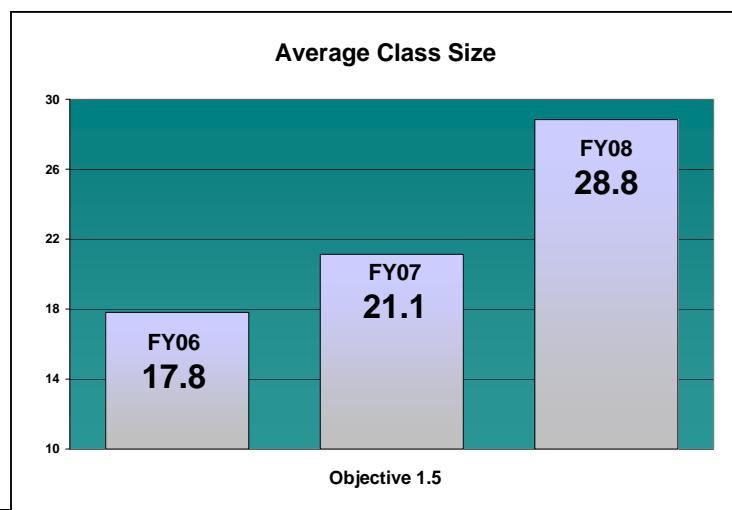
Providing this amount of training with a reduced staff required careful business management and constant monitoring of class enrollments. As expected during a hiring freeze, the courses typically attended by new hires dropped off dramatically and were offered less frequently than in the past. Resources were shifted to leadership classes where the participation remained very high. Additional courses, such as keyboarding and mentoring, were added at the agencies' requests. Being nimble allowed AZGU to meet the customer demand and keep the training hour volumes at a financially sound level.

- Objective 1.3 The increased number of training hours has the corollary effect that the amount of variable revenue generated (objective 1.3) also increases. Any excess budget was reinvested in technology to move the business to more cost-effective modes of training to control costs.



- Objective 1.4 Objective 1.4 evolved as the STARS system changed, and in FY09 this objective will be eliminated. STARS was a perfect first learning management system as it was customized to meet all the various needs of state agencies. After seven years of hard use, the technology needs to be updated. ADOA's HRIS team will take over this initiative as their learning management system is enhanced and implemented.

- Objective 1.5 The class size increased significantly once room capacity was increased. Larger classroom classes also compensated for smaller lab or rural setting class sizes.



**Goal 2:
Enhance
quality**

The initiatives to enhance the quality of training (Goal 2) require obtaining feedback at three levels and revising the products and services based upon that input from participants. All of the following objectives were met.

Goal 2: Increase the quality of Arizona Government training

- Obj. 2.1a Achieve average training evaluation scores of no less than 6.5 out of 8.
- Obj. 2.1b Achieve at least 70% return of end of course evaluations where respondents indicate the training was satisfactory or excellent.
- Obj. 2.2 Receive at least 70% return of end of course evaluations.
- Obj. 2.3 Receive at least 10% return of follow-up evaluations
- Obj. 2.4 Achieve follow-up evaluations where at least 75% of respondents indicate the trainee was able to apply the training

Level 1
assessment

(Objectives
2.1a, 2.1b,
2.2)

The first level of feedback comes from participants at the end of a class session. This measures "Did they like the class and did the facilitator meet their expectations?"

The goal remained the same in FY08 to receive at least 70% of the participants' evaluations (objective 2.2) with an average overall satisfaction score of 6.5 out of 8.0 (objective 2.1a).

Using the hand-held devices to capture end of class evaluations caused the return rate to jump dramatically. In July 2007, the return rate was 73.66%. In August, a month after the hand held implementation, the return rate was 91.46% and ranged up to 99.9% in June 2008. The average return of evaluations rate for the year overall was 95.43%.

Once again, the facilitators maintained the satisfaction with the range of 6.64 and 7.12 throughout the year. The overall average was 6.89. With such a high a return rate, AZGU felt confident the average satisfaction rating was reliable.

A new measure was added this year to evaluate not only overall return rates but overall satisfaction. AZGU Governing Board members wanted to know, instead of what the overall average score is, exactly what percent of the participants rated the course as satisfactory or above. Overall, 96.71% of the participants rated the courses at satisfactory or above.

Level 2
assessment

The second level of feedback determines “Did participants learn anything?” While AZGU tracks pass and failure rates by class, there is no performance measure that is appropriate for this. AZGU uses these data to monitor that the facilitators are training the correct material without teaching to the test. AZGU has found, on occasion and through item analysis, that some test questions are less reliable than others. In those instances AZGU has either revised the material or the test question to be more closely aligned.

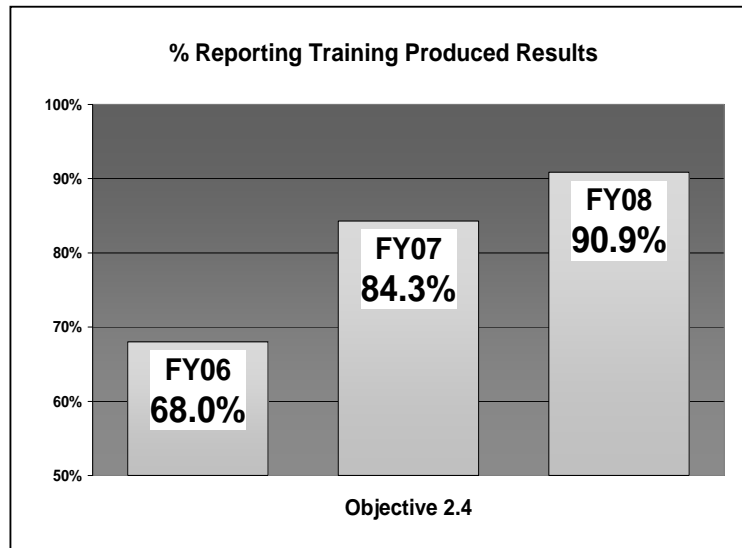
Level 3
assessment

The third level of feedback seeks to assess “Did the participants apply the training on the job?” This supports the premise that AZGU training is relevant to what participants do at work.

The objective was to receive 10% of the automatically generated follow-up questionnaires (objective 2.3) with a score of 75% of respondents agreeing the training was applied (objective 2.4). The benchmark of 75% was raised from 70% in FY07 to keep the performance measures at an attainable but stretch goal level.

Follow-up surveys are sent to participants and their supervisors 30 and 90 days after the training event has occurred to determine if the participants are using the knowledge and skills on the job. While the return rate has remained around 12% for the three years, there has been a noticeable increase in perceived contribution to organizational performance. Some increase is due to expanding the scope of the responses over time; the rest AZGU contributes to the ever improving products.

The percent of agreement that participants applied the training remained high even with an overall average score of 90.93%.



**Goal 3:
Increase
availability
of training**

In the third goal, the Governing Board sought to increase the availability of training for their employees around the state. In the past two years, the focus has shifted from classroom training to providing alternative delivery formats. Two of the following three objectives were met.

Goal 3: Increase the availability of training to Arizona government employees

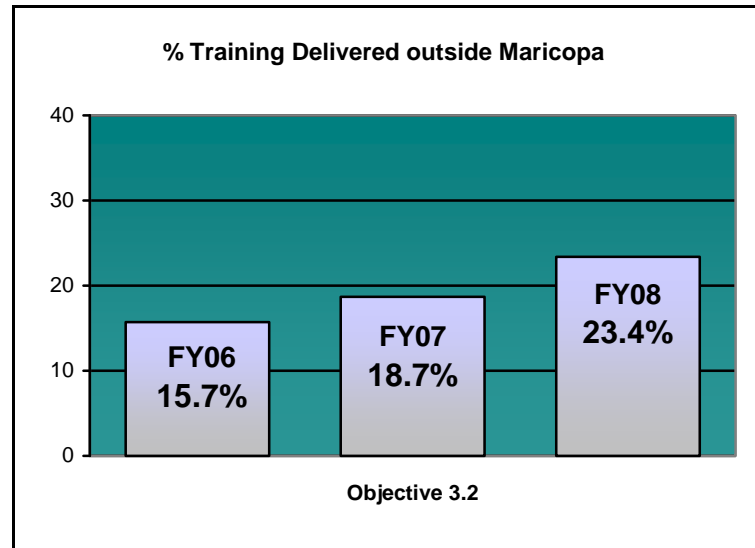
- Obj. 3.1 Achieve at least 15% per month of distance learning usage versus classroom training.
- Obj. 3.2 Deliver at least 15% of AZGU's classroom training outside of Maricopa county
- Obj. 3.3 Deliver at least 8 hours ilinc training per month.

Obj. 3.1

AZGU has continued to make strides in converting training to alternative formats (objective 3.1). In Fiscal Year 2006, 34 hours of classroom training were converted to computer-based training formats. In Fiscal Year 2007, 44 hours were converted. The usage of this training format remained dormant, about 10–11%, so in Fiscal Year 20068 the measure was changed to monitor usage. Strangely, despite a specific marketing campaign to increase usage, it remains low, at the 12% level. With ever-increasing travel restrictions and budget cuts, this utilization rate should increase.

Obj. 3.2

Classroom training still remains the training channel of choice for about 85% of participants all around the state. AZGU trainers schedule regular classes in the major cities (Tucson, Flagstaff, Yuma) and conduct special classes in the rural areas upon request with adequate enrollment to ensure the learning experience is a positive one (objective 3.2). In Fiscal Year 20068, 23.4% of the training was conducted outside Maricopa County.



Obj. 3.3

In Fiscal Year 20068 web-conferencing via iLinc, a local (Arizona) company, was introduced to customers. It has grown in popularity and likely has siphoned off potential computer-based training participants. While an average of 14 hours of iLinc classes were delivered per month (objective 3.3), this will continue to grow and be a viable channel for delivering training.

**Goal 4:
Decrease
dependency
on
Governing
Board
agencies**

AZGU continued to seek ways to decrease financial dependency on the Governing Board agencies.

Goal 4: Decrease the dependency of AZGU on Board member funding

Obj. 4.1 Achieve at least 20% participation in AZGU training by non-board participants by June 30, 2008

The objective was to seek 20% support from non-Governing Board agencies, boards, and commissions (objective 4.1). The more other agencies utilize AZGU's training, the less dependent AZGU will be on the Governing Board members' prepayments for trainee hours.

The objective was doubled from the 10% stretch target of the year before. Initial gains in this market segment were eroded as the smaller agencies, boards and commissions were very hard hit by the legislature's and governor's work to balance significant state budget deficits.

AZGU missed this objective with an overall average of 18.35% training utilization by non-Governing Board agencies.

Looking Forward

The AZGU staff will rely on the guidance of the Governing Board to help guide AZGU through the very troubling economic times.

AZGU will continue to offer alternative delivery training to increase the efficiency and availability of training to all state employees. With the severe travel restrictions imposed by budget cuts, employees are becoming more willing to try computer-based training or web-conferencing learning formats. AZGU should see a significant rise in the utilization of this type of training.

AZGU will continue to seek strategic alignment with the agencies' initiatives as well as the Governor's initiatives. When training is a potential solution to a business need, AZGU will reprioritize its work to help the agency meet that need.

The learning management system is the heartbeat of the training organizations both at AZGU and within the agencies. AZGU will support the efforts to move the training community from the Statewide Tracking and Registration System (STARS) to the learning management component of the Human Resources Information System (HRIS) when that team needs input and support.

AZGU has action plans to make the website more interactive and informative. This will enable timely access to training updates, critical information about learning, and seamless linkages with the YES website.

AZGU will expand its partnerships with community colleges. The leadership courses already carry community college credit, but AZGU will explore additional such opportunities. One possibility is getting the Basic Regulatory Investigative Certificate program certified for credit.

There will continue to be many challenges to delivering relevant, timely training to employees around the state. As always, the AZGU staff is prepared to be the solution to the agencies' training needs.

APPENDIX:

EVOLUTION OF AZGU'S PERFORMANCE MEASURES

Goals/objectives	Performance measures FY06	Changes in FY07	Changes in FY08
Goal 1: Increase the efficiency of training in Arizona State government			
Obj. 1.1	Deliver training with average cost of no more than \$10.50 per hour		
Obj. 1.2	Deliver no less than 80,000 hours of training	67,000 hours to reflect Board commitment	92,000 hours to reflect increased demand
Obj. 1.3	Generate at least \$854,000 in revenue through training delivery	\$665,687 correlates to obj. 1.2 above	\$924,000 correlates to obj. 1.2 above
Obj. 1.4	Convert all Board agencies to STARS by June 30, 2006	By June 30, 2007	Obtain an enterprise-wide learning management system by June 30, 2008
Obj. 1.5	Deliver classroom training with an average of no less than 16 participants per class		20 participants
Goal 2: Increase the quality of Arizona Government training			
Obj. 2.1	Achieve average training evaluation scores of no less than 4.5 on a 5 point scale		no less than 6.5 out of 8 to align with an 8 point scale
Obj. 2.1b added			Achieve end of course evaluations where at least 70% of respondents indicate training was satisfactory or excellent
Obj. 2.2	Receive at least 70% return of end of course evaluations		
Obj. 2.3	Receive at least 10% return of follow-up evaluations		
Obj. 2.4	Achieve follow-up evaluations where at least 70% of respondents either agree or strongly agree the training was worthwhile for employees	Achieve follow-up evaluations where at least 70% of respondents somewhat agree - strongly agree employees applied the training at work	
Obj. 2.5	Ensure tests are in place for 17 initial courses by June 30, 2006	Ensure tests are in place for all course offerings	eliminated
Goal 3: Increase the availability of training to Arizona government employees			
Obj. 3.1	Convert at least 20 hours of classroom curriculum to distance learning format by June 30, 2006	20 additional hours by June 30, 2007	Achieve at least 15% per month of distance learning usage versus classroom training
Obj. 3.2	Deliver at least 10% of AZGU's classroom training outside of Maricopa County		15% of training outside Maricopa County
Obj. 3.3			Deliver 8 hours of iLinc training per month
Goal 4: Decrease the dependency of AZGU on Board member funding			
Obj. 4.1	Achieve at least 10% participation in AZGU training by non-board participants by June 30, 2006	by June 30, 2007	20% participation by June, 2008

